

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

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In re

BXP1 LLC

Case No. 10-15608

Debtor.  
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**Local Rule Affidavit**

Susumu Endo, deposes and says under penalty of perjury, as follows:

1. I am the managing member of DDF Bronx Portfolio LLC, the managing member of BXP 1 LLC (the "Debtor"), and I am submitting the statement in support of the Debtor's Chapter 11 petition.

2. On October 27, 2010, BXP 1 LLC (the "Debtor") filed a petition for relief under the protective provisions of Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§101 et seq. (the "Bankruptcy Code").

3. The Debtor owns six apartment buildings in the Bronx, New York: 1268 Stratford Ave., 1350 University Ave., 1585 East 172nd St., 1589 East 172nd St., 1636 University Ave., and 1640 University Ave. Although the Debtor has no current appraisals, the Debtor believes that it has equity in each of the properties.

4. Each property appears to be encumbered by a mortgage in favor of the Bluestone Group as well as statutory liens in favor of the City of New York in the amounts set forth below:

	NYC Liens	1 <sup>st</sup> Mortgage	Total Liens	Value (est)	Equity (est)
1268 Statford	155,503	3,270,000	3,425,503	4,700,000	1,274,497
1350-52 University	101,820	1,940,000	2,041,820	2,800,000	758,180
1585 East 172 <sup>nd</sup> St.	71,411	2,460,000	2,531,411	3,100,000	568,589
1589-91 East 172 <sup>nd</sup> St	29,896	2,950,000	2,979,896	4,100,000	1,120,104
1636-40 University	197,915	2,530,000	2,727,915	3,200,000	472,085

5. Each property is subject to a foreclosure proceeding pending in the Bronx County Supreme Court. A receiver was appointed for one of the properties, however, the Debtor and the secured creditor subsequently stipulated to the Debtor's retention of the receiver's proposed managing agent to manage all of the Debtor's properties in lieu of the receiver taking possession.

6. The Debtor's general unsecured creditors have claims totaling approximately \$224,580. Approximately \$84,000 of that amount represents insider debt.

7. The Debtor's financial problems are primarily the result of mismanagement by the Debtor's former managing agent, together with the economic downturn

which caused a number of tenants to default and/or vacate their apartments, high oil prices and tax increases. While the properties are presently being stabilized, more work needs to be done.

8. Having made substantial progress towards stabilizing its finances, the Debtor's objective in this Chapter 11 case is to restructure, refinance, reinstate the existing loans, or to liquidate the properties in a manner that will facilitate a fair and realistic return for all interested parties.

9. In the meantime, the Debtor intends to seek authorization to use cash collateral solely to preserve and protect the properties, with the existing managing agent remaining in control.

10. No committee of creditors was previously appointed hereto.

11. No previous bankruptcy case has been filed by the Debtor.

12. The schedule of twenty (20) largest non-insider unsecured creditors is annexed to the petition.

13. No shares of stock, debentures or other securities of the Debtor or any subsidiary of the Debtor are publicly held.

14. I will be responsible for the Debtor's management during this case.

Dated: New York, New York  
October 27, 2010

s/Susumu Endo